

## Message Text

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C O N F I D E N T I A L BUDAPEST 0163

E.O. 11652: GDS  
TAGS: SCUL, OEXC, PFOR, HU  
SUBJECT: DEAK CASE AND CULTURAL RELATIONS

REF: BUDAPEST 0161

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1. DURING MY FIRST "INFORMAL" CONVERSATION (REFTEL) AND IN CONTEXTS OF MY QUERY AS TO WHEN WE MIGHT EXPECT THEIR NEXT REPLY ON CULTURAL AGREEMENT AND OF A BRIEF COMMENT ON THEIR HANDLING OF DEAK CASE, DEPUTY FONMIN NAGY INITIATED FAIRLY EXTENSIVE EXPLANATION OF LATTER ISSUE. NAGY SAID IT WOULD BE DIFFICULT FOR GOH TO GIVE US NEXT POSITION ON CULTURAL CONVENTION WHEN WE HAD SUSPENDED MOSTIMPORTANT CULTURAL AGREEMENT THAT NOW EXISTED. I SAID MY UNDERSTANDING WAS THAT IREX HAD NOT SUSPENDED THE AGREEMENT, BUT ONLY THE PENDING EXCHANGE OF TWO NEW PEOPLE ON EACH SIDE. CURRENT EXCHANGES WERE GOING AHEAD. NAGY SAID THIS AMOUNTED TO SAME THING, AS EXCHANGES SUSPENDED WERE ALL THAT WERE INCLUDED UNDER CURRENT YEAR'S PROGRAMMING.

2. READING FROM PIECE OF PAPER HE WAS HANDED AFTER MEETIMG BEGAN, NAGY SAID HE HAD JUST BEEN INFORMED THAT PROFESSOR LEDERER OF FORD FOUNDATION HAD SENT CABLE TO KKI AND WAS NOW PLANNING TO COME HERE TO SEE DR. ROSTA. HE ALSO SAID KKI HAD RECEIVED CABLE FROM PRESIDENT OF COLUMBIA UNIVERSITY CANCELLING COLUMBIA'S PARTICIPATION IN EXCHANGE

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PROGRAMS WITH HUNGARY "UNTIL DEAK'S EXPULSION WAS LIFTED".

HE COULD UNDERSTAND WHY PRESIDENT OFUNIVERSITY WOULD DEFEND HIS PROFESSOR, BUT WHAT DID LEDERER HAVE TO DO WITH THIS?

3. I SAID I HAD NOT HEARD OF COLUMBIA PRESIDENT'S CABLE, BUT THAT WE HAD BEEN INFORMED LEDERER WAS SENDING ONE. MY UNDERSTANDING WAS THAT HE WAS COMING TO EASTERN EUROPE JOINTLY WITH IREX OFFICIALS AND THAT FORD FOUNDATION ADMINISTERED SOME IREX PROGRAMS. HE WAS TAKING OPPORTUNITY OF VISIT TO EE TO COME HERE TO DISCUSS THIS ISSUE. IN ANY CASE LEDERER CLEARLY WOULD KNOW IREX VIEWS AND COULD CONVEY KKI VIEWS TO IREX. I STRONGLY URGED THAT ROSTA SEE HIM. NAGY SAID THAT IF HE HAD WANTED TO TALK ABOUT ISSUE IT WOULD HAVE BEEN BETTER NOT TO HAVE SENT SUCH A LETTER.

4. NAGY SAID HE DID NOT KNOW HOW ISSUE WOULD NOW DEVELOP IN LIGHT OF SUCH REACTIONS. NO DOUBT IT WOULD HAVE BEEN BETTER IF GOH HAD NOT ADMITTED DEAK IN FIRST PLACE. PROBABLY FEW OTHER PROFESSORS HAD CONTACTS WITH RADIO FREE EUROPE THAT HE DID, AND IT WOULD NOT SERVE USEFUL PURPOSE TO GO INTO HIS "MOVEMENTS" WHILE HERE. BUT IREX HAD SENT KKI BLUNT TELEGRAM SAYING EXCHANGES WERE SUSPENDED UNTIL "PROBLEM" WAS SETTLED. WHAT WAS THE PROBLEM THEY REFERRED TO? THERE WAS NO ONE WHO COULD GIVE GUARANTEE THAT AN EXPULSION COULD NEVER HAPPEN AGAIN. THIS WAS PREROGATIVE OF SOVEREIGN GOVT, POSSIBLE EXERCISE OF WHICH COULD NOT BE FORECLOSED.

5. NAGY SAID WE NOW HAD A DIFFICULT SITUATION IN WHICH US WAS RESPONDING TO STEP THEY HAD TAKEN BY MEASURES WHICH COULD LEAD TO ENDING OF PROGRAM. IMPORTANT PEOPLE WERE INVOLVED WHO COULD NOT EASILY MAKE PLANS FOR OTHER TIMES; THE CURRENT YEAR'S FUNDS FOR EXCHANGES WERE INVOLVED; IF THINGS TOOK TOO LONG TO SETTLE THE FUNDSMIGHT HAVE TO BE ALLOCATED TO EXCHANGES ELSEWHERE. THIS COULD PRODUCE A SITUATION WHICH WOULD BE HARD TO ALTER SUBSEQUENTLY. I SAID THAT MY QUERY ABOUT STATUS OF THEIR REPLY ON CULTURAL AGREEMENT SHOWNED USG WANTED RELATIONS TO CONTINUE TO DEVELOP, NOTING THAT EVEN AS LEDERER WAS COMING TO TALK ABOUT DEAK CASE AN NSF REP WAS ALSO ARRIVING TO TALK ABOUT EXTENSION SCIENTIFIC AGREEMENT.

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6. NAGY OBSERVED THAT IN THE PAST WHEN THERE WAS AN EXPULSION BY ONE COUNTRY, THE OTHER COUNTRY USUALLY RESPONDED IN KIND. THIS HAD HAPPENED A FEW YEARS AGO WHEN ITALY HAD EXPELLED TWO HUNGARIAN DIPLOMATS. HUNGARY THEN HAD EXPELLED THE ITALIAN MILITARY ATTACHE BECAUSE IT DID NOT WANT TO EXPEL THE DCM WHO WAS THE ONLY DIPLOMAT THE ITALIANS HAD HERE. BOTH THEY AND THE ITALIANS GOT OVER IT. NATIONS WERE

GETTING AWAY FROM THIS SORT OF APPROACH, WHICH WAS A GOOD THING, BUT THAT WAS THE WAY MATTERS WERE HANDLED IN THE PAST. HERE WHOLE EXCHANGE WAS BEING BROUGHT INTO QUESTION. COMMENT: THESE REMARKS, WHICH COULD BE EXTREMELY EMBARRASSING TO NAGY, SHOULD NOT REPEAT NOT BE REPEATED OUTSIDE DEPARTMENT.

7. I SAID WE WERE DEALING HERE WITH A DIFFERENT SITUATION IN WHICH ON OUR SIDE A PRIVATE ORGANIZATION WAS CENTRAL. I HAD SEEN POTENTIAL TROUBLE ON THEIR EXPULSION OF DEAK IMMEDIATELY, WHICH WAS WHY I HAD PROMPTLY CALLED ON VARKONYI. VARKONYI HAD REITERATED THAT THEIR ACTION WAS AN INDIVIDUAL INSTANCE AND DID NOT INVOLVE A CHANGE IN HUNGARIAN POLICY NOR NEW RESTRICTIONS ON EXCHANGEES. I HAD SO REPORTED THIS TO WASHINGTON, BUT I HAD BEEN GIVEN NO INFORMATION ABOUT THE EXPULSION AND COULD NOT, THEREFORE, AND DID NOT, DEFEND IT. THE REASON THEY WERE HEARING FROM LEDERER, AND I UNDERSTOOD WOULD ALSO BE HEARING FROM SOMEONE IN THE NATIONAL ACADEMY OF SCIENCES, WAS THAT THE AMERICAN SCHOLARLY COMMUNITY HAD BECOME CONCERNED ABOUT THE INTEGRITY OF ITS RESEARCH AND EXCHANGES HERE. I SAID THAT GOH NEEDED TO PERUADE THEM ABOUT SUCH INTEGRITY AND AGAIN URGED THAT ROSTA SEE LEDERER.

PEDERSEN

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